



# Q1 2016 Earnings Presentation

May 23, 2016

# Safe Harbor Statement

This presentation may contain forward-looking statements and management may make additional forward-looking statements in response to your questions. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Statements that are not historical facts, including statements concerning our beliefs, forecasts, estimates and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including risks related to: the risk that our results of operations may fluctuate from period to period; the risk of PRC governmental policy changes; the risk that we face intense competition from other solar companies; the risk that PRC economic, political and social conditions as well as government policies can affect our business and other risks outlined in our public filings with the Securities and Exchange Commission, including our annual report on Form 20-F.

The forward-looking statements made in this presentation relate only to events or information as of the date on which the statements are made in this presentation. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.



# Q1 2016 in Review

- Q1 results demonstrated continuation of successful execution of our new strategy unveiled last year
- Solid growth in downstream project pipeline to >700MW; sold two projects in Bulgaria (9.7MW)
- Margin improvement on year-over-year and sequential basis
- In-line top-line performance
- LED business delivered >25% growth in Q4
- Repurchased all of remaining convertible notes

# 2016 Focus: Higher Margins and Cash Flow

- ◆ Continue to Scale Back OEM Business
  - Drive down cost
  - Shift toward downstream business away from manufacturing business
- ◆ Strategically Use R&D Effort to Reduce Cost and Improve Product Performance
- ◆ Leverage Global Footprint and Brand Equity to Continue to Develop LED Distribution Business
- ◆ Continue to operate profitably, generating cash and paying down debt.
  - Expand wafer manufacturing capacity through technology improvements
  - 2.9 GW by mid 2016, up from 2.4 GW
  - Further drive down wafer processing cost
- ◆ Expect these steps to result in better financial performance in 2016
  - Better margins, cash flow generation and further debt retirement

# Income Statement Summary

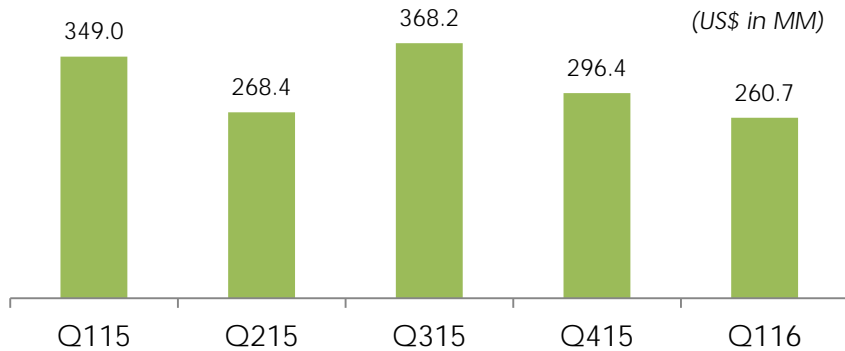
All \$ amounts are millions of US dollars	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Revenue	\$349.0	\$268.4	\$368.2	\$296.4	\$260.7
Gross Profit	\$36.7	\$44.4	\$59.3	\$47.5	\$44.5
Gross Margin	10.5%	16.5%	16.1%	16.0%	17.1%
EBITDA	\$14.1	\$33.7	\$42.1	\$39.7	\$37.8
EBITDA Margin	4.0%	12.5%	11.4%	13.4%	14.5%
Interest Expense	\$10.8	\$11.2	\$11.0	\$10.4	\$9.9
Net Income (Loss)	(\$18.0)	(\$2.3)	\$8.6	\$6.7	\$5.7
Net Margin	-5.2%	-0.9%	2.3%	2.2%	2.2%

All \$ amounts are millions of US dollars

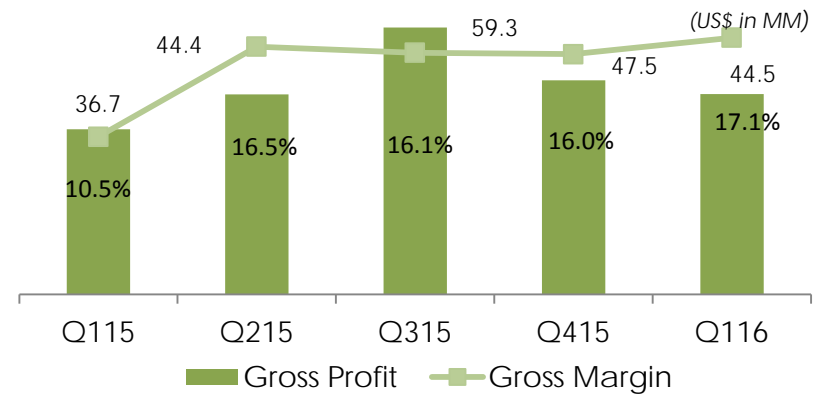


# Historical Performance Trends

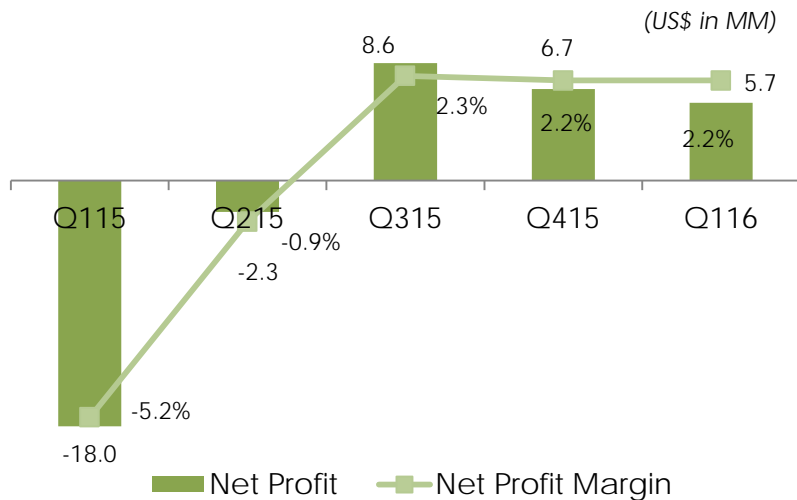
## Net Revenue



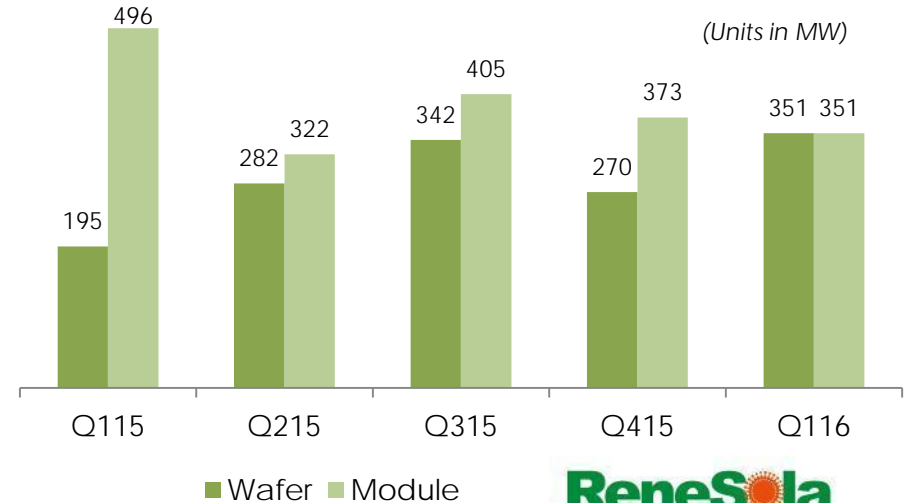
## Gross Profit and Gross Margin



## Net Profit and Net Profit Margin



## External Module/Wafer Shipments



# Balance Sheet

All \$ amounts are millions of US dollars	12/31/15	Change	3/31/16
<b>Operating Cash Flow</b>	<b>(\$37.6)</b>	N/A	<b>(\$4.4)</b>
<b>Cash and Equivalents</b> (includes restricted cash)	<b>\$178.4</b>	+6.5%	<b>\$190.0</b>
<b>Total Debt</b>	<b>\$733.7</b>	+0.5%	<b>\$737.2</b>
Total Bank Borrowings	\$707.6	+4.2%	\$737.2
Short-Term Borrowings	\$668.8	+10.0%	\$735.6
Convertible Notes	\$26.1	N/A	\$0.0

- ◆ Cash balance increased by \$11.6 million
- ◆ Repurchased remaining convertible notes in Q1 2016

# Working Capital Efficiency

All \$ amounts are millions of US dollars	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16
Accounts Receivable	\$133.5	\$89.8	\$128.1	\$161.2	<b>\$176.4</b>
Trade Receivable Days Out	33	37	27	44	<b>58</b>
Inventory	\$268.5	\$277.7	\$198.9	\$193.2	<b>\$181.7</b>
Inventory Turnover Days	90	110	69	71	<b>78</b>
Accounts Payable	\$478.6	\$405.9	\$321.2	\$300.2	<b>\$302.0</b>
Trade Payable Days Out	135	178	106	112	<b>125</b>

- ◆ Inventory reduced by \$11.5 million
- ◆ Account receivables and payables increased on an absolute basis

All \$ amounts are millions of US dollars





# Project Monetization Underway

Q1 2016 Sales	Location	Size (MW)
Nove ECO	Bulgaria	5.0
MG Solar	Bulgaria	4.7
<b>Total</b>		<b>9.7</b>

Q4 2015 Sales	Location	Size (MW)
Membury	UK	16.5
Tochigi Projects	Japan	1.5
<b>Total</b>		<b>18.0</b>

Q3 2015 Sales	Location	Size (MW)
Port Farms	UK	34.7
Kyoto Projects	Japan	0.3
<b>Total</b>		<b>35.0</b>

Q2 2015 Sales	Location	Size (MW)
Field House	UK	6.4
<b>Total</b>		<b>6.4</b>

- ◆ The projects sold in Bulgaria had no direct impact to Q1 revenue
- ◆ Expect to monetize the sale of solar projects representing over 20MW of generating capacity in Q2 2016

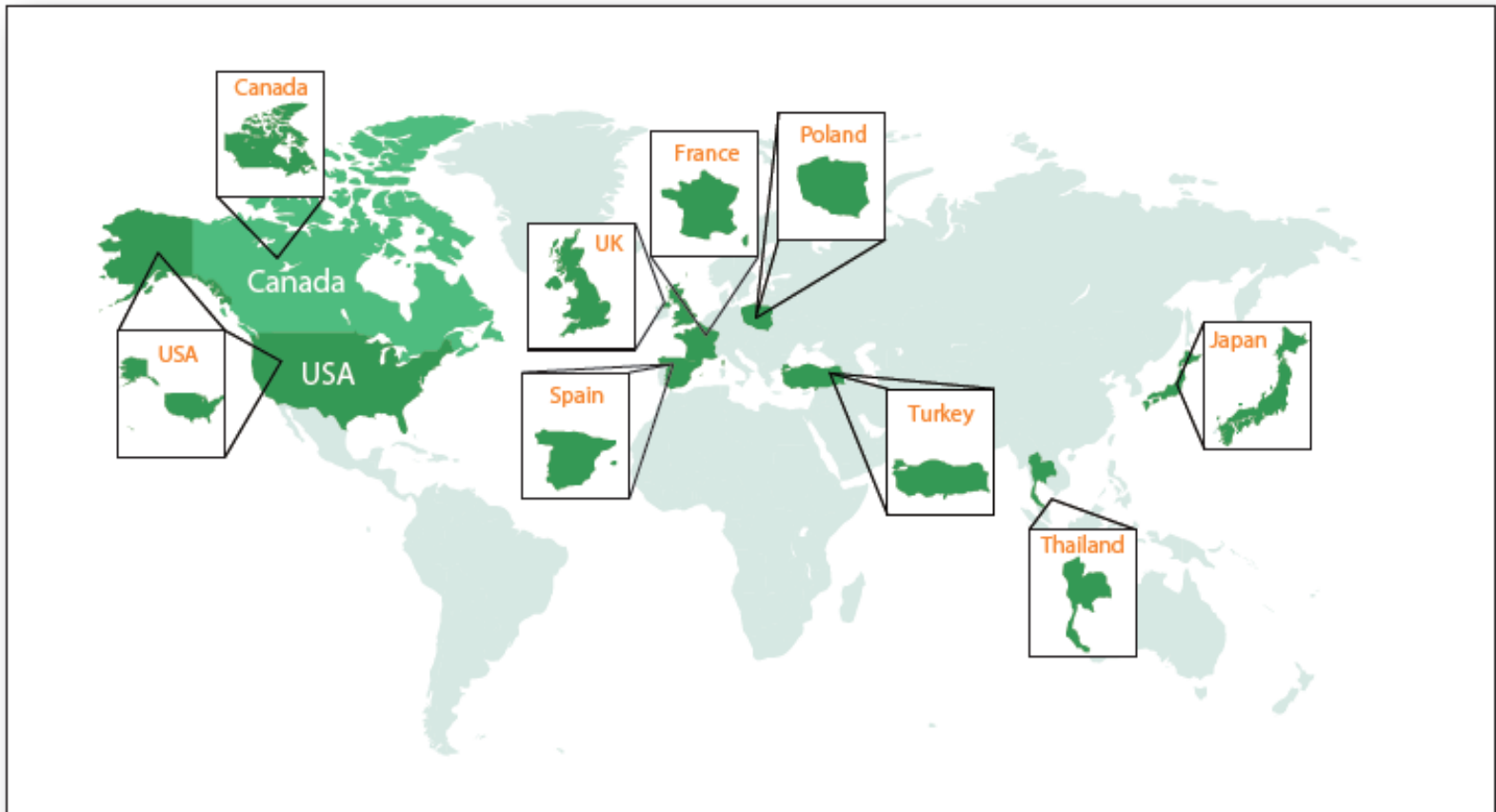
## Operating Assets Generating Recurring Revenue

Country	Project	Size (MW)	COD	Remarks
Romania	Lucas EST	6.0	April 2013	Operating
	Ecosfer Energy	9.4	August 2013	Operating
	<b>Total</b>	<b>15.4</b>		

- ◆ 15.4 MW of operating projects in Eastern Europe generating high margin recurring revenue
- ◆ Are held for eventual sale

# Robust Project Pipeline Indicates Years of Growth

## Global Projects Pipeline



- ◆ Total pipeline 785 MW
- ◆ Solar: 765MW, Wind: 20 MW

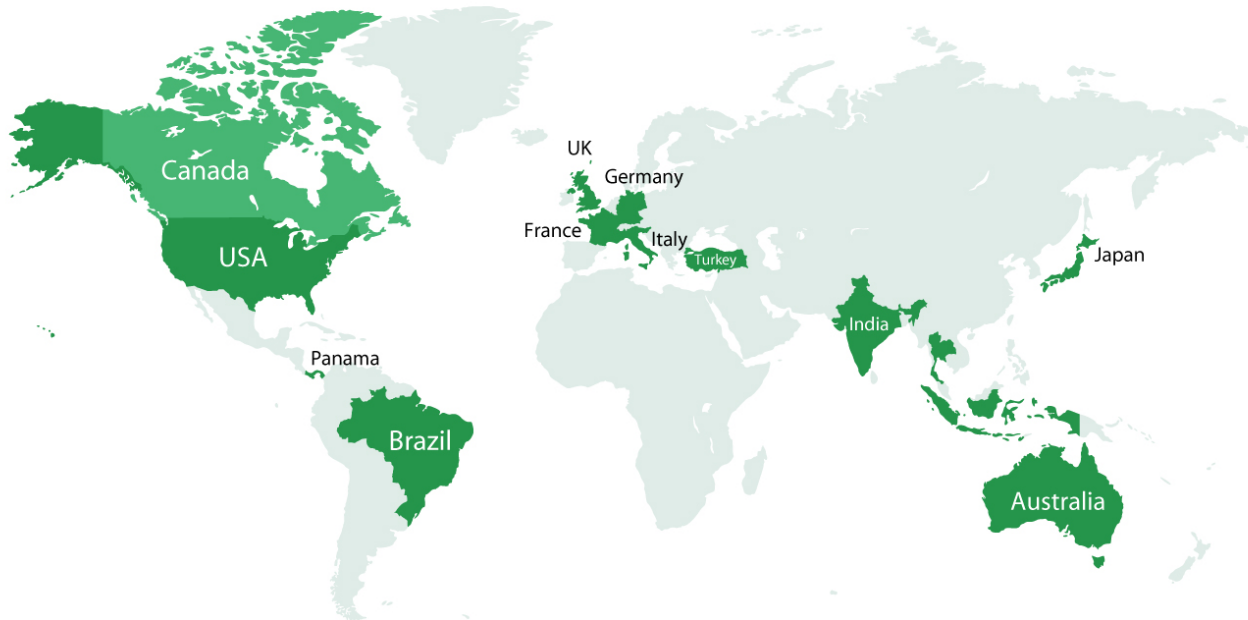
# High Quality Project Pipeline

- ◆ Mix of renewable sources with heavy emphasis on solar
- ◆ Geographically diversified among stable jurisdictions
- ◆ Attractive IRRs

Solar Projects		
Country	Size (MW)	Late-Stage Projects of Total Pipeline (MW)
USA	121.4	103.3
UK	180.5	65.3
Canada	32.3	9.0
Japan	31.5	29.6
Poland	120.0	
Turkey	116.0	116.0
Spain	75.0	
Thailand	50.0	
France	38.6	
<b>Total</b>	<b>765.3</b>	<b>323.2</b>
Wind Projects		
Country	Size (MW)	Status
Poland	20	Early-to-Mid-stage Project

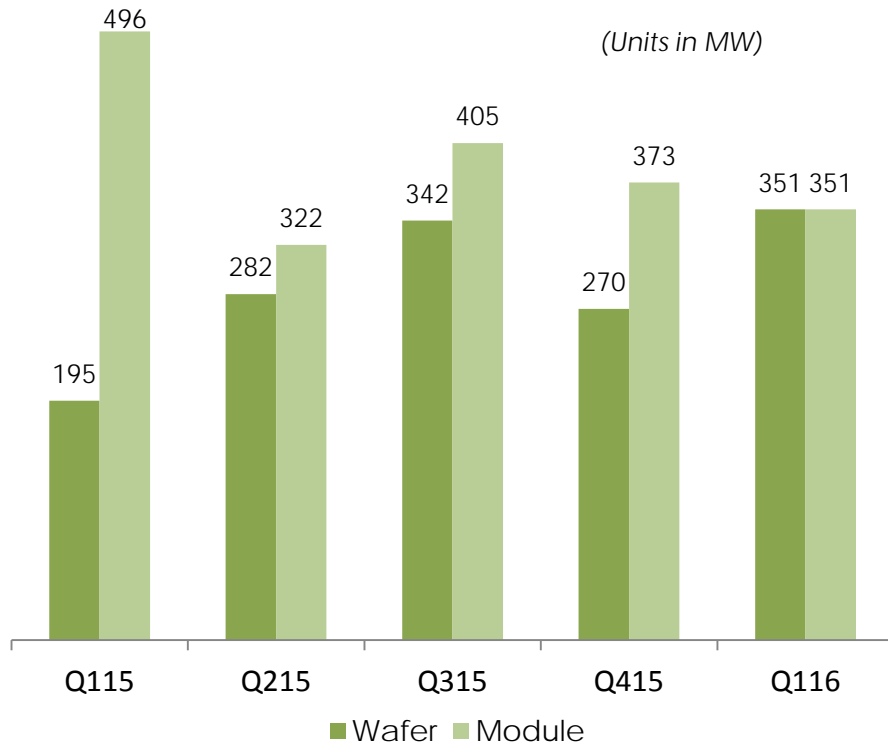
# LED an Exciting New Business Opportunity

## Expanding Geographic Distribution Worldwide

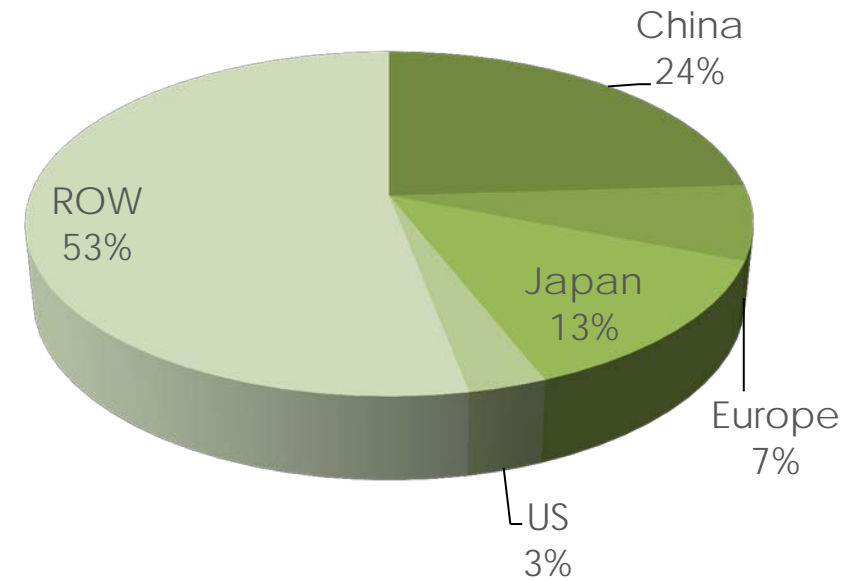


- ◆ Q1 Revenue \$6.2 million
- ◆ Gross margin >30%
- ◆ Leveraging ReneSola global footprint to build distribution worldwide
- ◆ Over 4,100 customers at end of Q1 2016

# Q1 2016 Wafer and Module Shipments



## Q1 2016 Module Shipment by Region



- ◆ Q1 module ASP down slightly to \$0.52 / watt
- ◆ Strong sequential volume growth for wafer

# 2016 Guidance

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## Q2 2016

- ◆ Revenue: \$280 million to \$290 million
- ◆ Gross Margin: Approximately 18%

## Full year 2016

- ◆ Revenue: \$1.0 billion to \$ 1.2 billion